



February 2006

# Waiver Wise

## Technical Assistance for the Community Options Program Waiver COP-W

Wisconsin Department of Health & Family Services • Division of Disability and Elder Services  
Bureau of Long Term Support

Volume 06 Issue 01

### **SPECIAL HOUSING AMOUNT FOR PARTICIPANTS IN THEIR OWN HOME OR APARTMENT AND IN SUBSTITUTE CARE**

In response to requests from county care managers for more information on calculating the special housing amount for waiver participants, the following is an excerpt from the Waiver Reference Guide for Income Maintenance Workers and Care Managers.

#### **The Special Housing Amount**

One of the most common and fundamental issues that most people experience in their life is paying for housing expenses. These expenses are viewed as the primary responsibility of the person. Depending upon a person's specific living arrangement, these expenses can be high. Fortunately, certain housing expenses, including certain expenses in substitute care, can be taken into account as a deduction from income to reduce or eliminate a waiver applicant/participant's cost-share. The end result is that by having a smaller cost-share or no cost-share, the applicant/participant has more money to pay towards other expenses; in a substitute care setting, the applicant/participant has more money to pay towards room and board. The following information will assist care managers in understanding the special housing amount deduction in various settings and circumstances.

The special housing amount is one of three figures that make up the personal maintenance allowance (PMA). The PMA consists of allowable deductions from a participant's income that may reduce a participant's monthly cost share obligation. Housing costs that can be used toward the special housing amount include: homeowner's or rental insurance, rent, mortgage, property tax, and utilities. If these monthly costs are in excess of \$350/month, the participant may be entitled to the special housing amount deduction. Note that the total PMA cannot exceed \$1,809 (effective January 1, 2006).

Prior to January 1, 2000, the special housing amount deduction was available only to people who lived in their own home or apartment. But, effective January 1, 2000, this deduction became available to people who live in substitute care facilities (*except for Group C single individuals*). Substitute care facilities are: Adult Family Homes (AFH), Community Based Residential Facilities (CBRFs) and certified Residential Care Apartment Complexes (RCACs).

As a result of the special housing amount deduction, individuals who reside in substitute care facilities may have a reduced cost share or no cost share, which means that the participant may have more income available to pay toward monthly room and board costs.

For persons who reside in their own homes or apartments, the Income Maintenance (IM) Workers obtains costs associated with the special housing amount either directly from the waiver participant or from their representative.

### **Reduced Rent Amount in One's Own Apartment**

There may be instances when individuals pay reduced rent for their apartments, thanks to governmental subsidies for which they are found eligible (for example, the Housing and Urban Development (HUD) Section 8 Housing Voucher). In these cases, the IM worker will use only the actual out of pocket rent costs paid by the individual. For example, if the rent amount is \$800/month, but Mrs. Mary Jones only pays \$500 because HUD subsidizes the rest, the IM worker will only use \$500 when determining the special housing amount deduction in CARES.

### **"Rent" Carved Out from Room and Board Costs in Substitute Care**

**For individuals who reside in a substitute care facility, a care manager must "carve out" the "rent" costs from the *room and board costs* reported to the care manager by the substitute care facility.** In order to determine the "rent" amount within the *room and board costs*, a care manager must subtract certain itemized costs from the *room and board costs*. The costs that are subtracted are generally known as "food, phone and fun" (fun refers to cable television). The resulting dollar amount is then given to the IM worker as the "rent" amount. "Rent" costs in excess of \$350/month are used in CARES to determine the special housing amount deduction. If the "rent" costs are less than \$350/month, no special housing deduction will be given.

<b>Example #1</b>	<b>How to carve out "rent" from Room and Board Costs in Substitute Care</b>
-------------------	---

Scenario: Mrs. Mable Green resides at the 8-bed CBRF known as Shady Hill. The care manager obtained information from the facility that indicates that individual room/board costs are \$629.50/month and personal care and supervision costs are \$1,570.50/month. Upon review of the breakdown of the room/board costs, the care manager subtracted *food, phone and cable T.V.* costs from \$629.50, and was able to determine that \$399.38 could be considered "rent." (See breakdown of these costs on page 3 in this section.)

**Question #1** – Which amount should the care manager give to the IM worker?

**Answer** – The care manager should give the IM worker the carved out "rent" amount of \$399.38. When the IM worker enters this amount in CARES, CARES will calculate the special housing amount by subtracting carved out "rent" from \$350. In this example, the special housing amount will be \$49.38 ( $399.38 - 350.00 = 49.38$ ).

### **Conclusion:**

**The care manager gives the IM worker the carved out "rent" amount.** From this figure, CARES will compute the special housing amount.

Lastly: When determining what the person can pay towards *room and board*, the care manager should enter \$629.50 on line 16 of the Room and Board Formula (see page 17 in this section).

## Calculating Expenses for a Substitute Care Facility

Name of Program Recipient:

Mable Green

Name of Substitute Care Facility:

Shady Hill CBRF

Monthly Rate:

\$2,200/month

Licensed Capacity:

8

**TABLE 1**

ROOM AND BOARD EXPENSES		AMOUNT	METHODOLOGY TO CALCULATE INDIVIDUAL RATE	
Choose One:	1. Rent <u>or</u> 2. Mortgage Principal – do not include interest <u>or</u> 3. Depreciation <u>and</u> mortgage interest (if you use depreciation, include mortgage interest)	1000	Average Monthly Expense ÷ 8 =	125.00
	Property Taxes	500	Average Monthly Expense ÷ 8 =	62.50
	Insurance (Title, Mortgage, Property, Casualty)	250	Average Monthly Expense ÷ 8 =	31.25
	Building and Grounds Maintenance/Repairs	100	Average Monthly Expense (Note: Can include cost of staff time clearly related to maintenance.) ÷ 8 =	12.50
	Furnishings supplied by Facility and used by Residents	250	Average Monthly Expense ÷ 8 =	31.25
No Food!	Resident Food	1700	Average Monthly Expense	<del>212.50</del>
	Household Supplies	250	Average Monthly Expense ÷ 8 =	31.25
	Electricity	325	Average Monthly Expense ÷ 8 =	40.63
	Water and Sewer	300	Average Monthly Expense ÷ 8 =	37.50
	Heating Fuel	220	Average Monthly Expense ÷ 8 =	27.50
No phone! No cable!	Resident Telephone	100	Average Monthly Expense	<del>12.50</del>
	Cable Television	41	Average Monthly Expense	<del>5.12</del>
<b>SUBTOTAL</b>		5036	Sum of Above Categories	399.38
<b>INDIVIDUAL SUBTOTAL</b> 5,036 ÷ 8 = 629.50			<b>Individual Food, phone and fun = \$230.12.</b>  <b>CARVED OUT "RENT" = 399.38</b> (629.50 – 230.12)	
<b>CLIENT SPECIFIC EXPENSES</b>		0	Special Dietary Needs, Personal Supplies, Other Personal Expenses	
<b>TOTAL ROOM AND BOARD EXPENSES FOR THE RECIPIENT</b>		629.50	Individual Subtotal plus Client-Specific Expenses 629.50 + 0 = 629.50	

### **Alternate CBRF Model Contract Form**

In some counties, an alternate type of CBRF Model Contract Form is utilized. See form on next page. In these instances, care managers will carve out “rent” from room and board costs by utilizing only the items indicated with an arrow.

CBRF MODEL CONTRACT - 10-25-04 version

			(1a)	(1b)	(2)	(3)	(4)
	Cost Item		Total facility costs from most recent audited year	Total facility costs for coming year	Costs allocation to facility rate	Break out for funding by MA Waiver Program	
						Room and Board	Program
→ 1	Salaries	Owners total annual hours					
→		Employee Salaries for Maintenance		*			
		Other Employee Salaries					
2	Fringe Benefits						
3	Travel reimbursement to staff						
4	Client transportation						
5	Recruitment						
6	Staff development, education						
→ 7	Supplies	Household supplies & Linens		*			
		All other supplies					
8	Food			*			
9	Advertising						
10	Telephone for facility						
11	Telephone for residents			*			
12	Printing						
→ 13	Insurance	on property		*			
		All other insurance					
→ 14	Utilities			*			
	Cable TV						
→ 15	Maintenance and Repairs	Building maintenance & repairs		*			
→		Equipment repairs for residents		*			
		Other equipment repairs & maint.					
		Vehicle repairs and maintenance					
→ 16	Rentals	Building housing CBRF		*			
→		Equipment related to room & bd.		*			
		Other equipment					
→ 17	Depreciation	Land Improvements		*			
→		Building		*			
→		Equipment related to room & board		*			
		Other equipment					
		Vehicles					
→		Leasehold improvements		*			
→ 18	Interest	Mortgage interest		*			
→		Equipment for room and board		*			
		Other equipment and property					
		Other					
→ 19	Smaller Items	Items related to room and board		*			
		Other items					
20	Professional Fees						
21	Licenses			*			
→ 22	Taxes			*			
		Other Taxes (not corporate)					
→ 23	Other Allowable Costs						
24	Net allowable operating cost (sum lines 1 - 23)						
25	Allowable profit/excess earnings (see instr)						
26	Total Allowable Costs (Line 24 + 25)						
27	Budgeted beds in facility						
28	Annual cost per bed (line 26 / line 27)						
29	Monthly Rate=annual cost (line 28) / 12						
30	Daily Rate=annual cost (line 28)/ 365						

\*Allocate all costs in this category from Column (1b) to Column (2).

## Reduced Room and Board Amount in Substitute Care Settings

Individuals who reside in substitute care facilities may also pay less than the full *room and board amount* for various reasons. For example:

- The substitute care provider stipulates a lower *room and board liability* for a specific resident(s), or
- A relative, or some other third party like a church, or a benevolent society, etc., voluntarily contributes towards an individual's *room and board cost*, or
- The individual resides in a substitute care facility where a Section 8 HUD voucher can be used.

The following examples illustrate how care managers should handle these types of cases.

**Example #2      The facility charges the participant less than the full *room and board dollar amount*.**

*Scenario:* Mr. Bert Parks is a waiver participant who resides at the Maple Hill CBRF. Maple Hill is licensed for a capacity of 8 persons. The *full monthly room and board cost* for this facility is \$900/month. Each resident pays \$900 per month, except for Mr. Parks. In his case, the provider stipulates **in writing** that Mr. Parks shall pay a *reduced room and board* rate of \$700/month.

**Question #2** -What figure should the care manager use to carve out “rent”?

**Answer -** The care manager should use the \$700 figure for carved out “rent” – not the \$900 figure. Reason: because there is a contract agreement between the facility and participant that stipulates *room and board costs* to be \$700 for **this participant**.

**Question #3** – Using the agreed upon \$700 figure, how does the care manager carve out “rent”?

**Answer:** To carve out “rent” the care manager does the following:

**Step one:**

A) Determine what percentage of the ***total room and board costs*** in this facility equal “*food, phone and fun.*”

- *Total monthly room and board costs* = \$900
- Of this amount, according to the provider’s breakdown, \$296 represents *food, phone and fun costs*.

B) Now determine what **percentage** of \$900 are *food, phone and fun costs*?

$$\$296 \div \$900 = \$.3288 \text{ (rounded up to .33)}$$

$$.33 \times 100 = 33\%$$

**33% of the \$900 constitutes food, phone and fun costs.**

**Step two:**

Use the same percentage (33%) to obtain *food, phone and fun* out of \$700 (the *reduced monthly room and board costs*).

$\$700 \times 33\% (.33) = \$231$ . The \$231 represents *food, phone and fun* costs.

**Step three:**

To carve out “rent”, the care manager needs to subtract the *food phone and fun* costs from \$700.

$\$700 - \$231 = \$469$

**Conclusion:**

**The care manager gives the IM worker the \$469 carved out “rent” amount** to ensure that the participant’s cost share is calculated correctly. CARES will then compute the special housing amount deduction. Because the “rent” has been determined to be in excess of \$350/month, the special housing amount deduction will be \$119 ( $\$469 - 350 = \$119$ ).

Lastly: When determining what the person can pay towards *room and board*, the care manager should enter \$700 (cost of *room and board per contract agreement*) on line 16 of the Room and Board Formula (see Section 6 – page 17).

**Example #3      The facility charges the participant the *full room and board costs* but the participant does not have enough funds to pay for it in its entirety. As a result a family member has volunteered to assist with the costs.**

*Scenario:* Mrs. Rosa Derby is a waiver participant who resides at the Happy Hollow CBRF. Happy Hollow is licensed for a capacity of 8 persons. The *monthly room and board cost* for this facility is \$900. Each resident pays \$900 per month. However, Mrs. Derby can only pay \$700. Her daughter, Millie, helps out by contributing the remaining balance of \$200 each month.

**Question #4** - What figure should the care manager use to carve out “rent”?

**Answer** - The care manager should use the \$900 figure to carve out “rent.” Reason: the contract agreement between the facility and the participant stipulates that *room and board* is \$900/month. Mrs. Derby is responsible for paying \$900 each month. The fact that her daughter helps her out financially does not negate the fact that Mrs. Derby is responsible for the full \$900/month. Should the daughter stop contributing a share each month, Mrs. Derby would still be responsible for the entire \$900 *monthly room and board amount*.

**Question #5** - How does the care manager carve out “rent” from the agreed upon figure?

**Answer** - To carve out “rent,” the care manager does the following:

**Step one:**

Determine what part of the *total monthly room and board costs* equal “*food, phone and fun*.”

- *Total monthly room/board costs* = \$900
- Of this amount, according to the provider’s breakdown, \$296 represents *food, phone and fun costs*.

**Step two:**

To carve out “rent,” the care manager needs to subtract the *food phone and fun* costs from \$900.

$$\$900 - \$296 = \$604$$

**Conclusion:**

**The care manager gives the IM worker the \$604 carved out “rent” amount** to ensure that the participant’s cost share is calculated correctly. CARES will then compute the special housing amount deduction. Because the “rent” has been determined to be in excess of \$350/month, the special housing amount deduction will be \$254 ( $\$604 - 350 = \$254$ ).

Lastly: When determining the amount that the person can pay towards *room and board*, the care manager should enter \$900 (*actual room and board liability*) on line 16 of the Room and Board formula (see Section 6 – page 17).

<b>Example #4</b>	<b>The local Housing Authority is contributing a Section 8 voucher toward the Fair Market Rent on behalf of a participant.</b>
-------------------	--

Section 8 vouchers are available to qualifying individuals who reside in their own apartments, or in RCACs and **payable to the provider**. Care managers who have questions about whether or not Section 8 vouchers may be available to residents of a specific facility, should contact the local Housing Authority to find out. Housing Authorities are listed by county at [www.wheda.com](http://www.wheda.com) (click on: Multifamily Professionals, Asset Management, Multifamily Data Library, Wisconsin Federally Assisted Housing Inventory; then select Wisconsin Housing Authority from the dropdown list).

When the Housing Authority is involved, the Room and Board costs in an RCAC per se are not a consideration. The Section 8 voucher is based on:

- The income level of the individual, and
- His/her medical expenses,
- The Fair Market Rent (FMR). The FMR is determined annually in the Federal Register and varies by geographic area, urban vs. non-urban setting, number of bedrooms in the apartment, etc. Note that in addition to the published FMR, HUD may increase or decrease FMR percentages between 90% and 110% of FMR, depending on other factors.

A letter from the Housing Authority to the RCAC lists, for each participant found eligible for a voucher, the following information:

- The FMR,
- The Owner/Landlord assistance payment (i.e., voucher amount),
- The amount the resident will pay toward FMR.

A copy of the letter is available from the RCAC.

*Scenario:* Mrs. Florence Brown is a waiver participant who resides at the Elmhurst RCAC. Elmhurst is a certified RCAC and is licensed for a capacity of 25 persons. The *total monthly room and board* cost for this RCAC is \$900/month. The Housing Authority has determined that the FMR for this facility is \$576. Based on Mrs. Brown’s income and medical expenses, she is eligible for a Section 8 voucher in the amount of \$233, payable directly to the facility. Mrs. Brown is responsible for the balance of the *room and board cost* amounting to \$667 ( $900 - 233 = 667$ ).



**Question #6** - What figure should the care manager use to carve out “rent”?

**Answer:** - *The care manager does not have to carve out “rent,” because costs like food, phone and cable T.V. are not factored in the FMR. The care manager gives the IM worker the FMR amount.* In this instance, the FMR is \$576.

Remember that it is entirely possible for residents of the same facility to be entitled to different amounts of Section 8 vouchers, based on their individual income and medical expenses, or for one individual to be eligible for a voucher and for another individual to be ineligible.

**Question #7** - Where do care managers obtain the FMR amount when a Section 8 voucher is involved?

**Answer** - The care manager can obtain this information from the RCAC, with proper release of information from the participant.

**Conclusion:**

**The care manager gives the IM worker the FMR dollar amount**, in this instance \$576. In this example, CARES computes a special housing amount of \$226 ( $576 - 350 = 226$ ).

Lastly: When determining the participant’s *room and board liability*, the care manager will enter \$667 on line 16 of the formula (Mrs. Brown is actually responsible for \$667, that is *monthly room and board cost* minus the HUD housing voucher, or  $900 - 233 = 667$ ).

<b>Example # 5</b>	<b>There are multiple funding sources, including a Section 8 voucher, contributing to room and board costs.</b>
--------------------	---

Scenario: Mr. Henry Weber is a waiver participant who resides at the Pine Haven RCAC. Pine Haven is a certified RCAC and is licensed for a capacity of 33 persons. The *monthly room and board costs* for this RCAC is \$900. Mr. Weber is responsible for \$700, as the Section 8 Housing Voucher is \$200. But Mr. Weber only pays \$600 because his son Paul voluntarily contributes \$100 ( $200 + 600 + 100 = 900$ ). The FMR used by the Housing Authority for this facility is \$576.

**Question # 8:** What figure should the care manager use to carve out “rent”?

**Answer** - Just like in the previous example, the care manager does not have to carve out “rent.” The care manager will give the IM worker the FMR amount. In this case the FMR is \$576. The care manager will not take into account that Mr. Weber’s son is voluntarily contributing \$100, since this is a private arrangement between Mr. Weber and his son and the son could stop contributing at any time.

**Conclusion:**

**The care manager gives the IM worker the FMR amount of \$576.** CARES then will compute a special housing amount of \$226 ( $576 - 350 = 226$ ).

Lastly: When determining the participant’s *room and board liability*, the care manager will enter \$700 on line 16 of the formula (Mr. Weber is actually responsible for \$700, that is *monthly room and board cost* minus the HUD housing voucher, or  $900 - 200 = 700$ ). The \$100 amount that son

Paul voluntarily contributes may stop at any time, therefore we use Mr. Weber's actual room and board liability of \$700.

## COMMON QUESTIONS AND ANSWERS

- 1. Why is it that the Special Housing Amount cannot be split unevenly between spouses who are both on the waiver, who live together in their own home or apartment, particularly when one spouse has more income than the other? Is this policy stated in the Medicaid Handbook?**

Section 5.9.9.2.1 in the Medicaid Handbook outlines this policy. It reads, "If both spouses are applying and both have income, divide the special housing amount equally between them. If only one spouse has income and both are applying, allocate the full special housing amount to the spouse with income." Below are two scenarios that illustrate this policy and the resulting outcome:

### *Scenario 1*

Mr. and Mrs. Smith both apply for the COP-Waiver program and reside together in their own home. Mr. Smith's income is \$1,300/month and Mrs. Smith's income is \$800. The IM worker has determined the total housing allowance is \$200. Because they both have income, the IM worker will allocate half of this amount to each spouse as follows:

	Mr. Smith	Mrs. Smith
Income	\$1,300 minus	\$800 minus
Basic Need Allowance	\$ 783 minus	\$783 minus
Housing Allowance	\$ 100 minus	\$100 minus
Health Insurance	\$ 80 minus	\$ 0 minus
M/R Expenses	\$ 200 minus	\$ 50 minus
Total amount of deductions	\$1,163	\$ 933
Cost Share	\$ 137 \$1,300 - \$1,163 = \$137 cost share	\$0 \$800 - \$933 = \$0 cost share

### Scenario 2

Mr. and Mrs. Brown both apply for the COP-Waiver program and reside together in their own home. Mr. Brown's income is \$1,300/month and Mrs. Brown has \$0 income. The IM worker has determined the total housing allowance is \$200. Because only Mr. Brown has an income, the IM worker will give the entire special housing allowance to Mr. Brown. The result is as follows:

	Mr. Brown	Mrs. Brown
Income	\$1,300 minus	\$ 0
Basic Needs Allowance	\$ 783 minus	\$783
Housing Allowance	\$ 200 minus	\$ 0
Health Insurance	\$ 80 minus	\$ 0
M/R Expenses	\$ 200 minus	\$ 50
Total amount of deductions	\$1,263	\$833
Cost Share	\$ 37 \$1,300 - \$1,263 = \$37 cost share	\$ 0 \$0 - \$833 = \$0 cost share

- 2. How should a care manager determine "rent" in a substitute care facility when the amount charged to the applicant/participant is different than what the facility has determined to be room/board, or, the facility allows the applicant/participant to pay a lower dollar amount for room/board than what has been calculated?**

Although it does not happen often, sometimes a facility will charge the participant a lower dollar amount for room/board than what they have calculated. Or, in some cases, other persons (i.e., a family member or benevolent fund) are assisting the applicant/participant in paying towards their housing costs. When these situations occur it is important that the care manager determine the correct "rent" amount based on the specific situation. See previous pages for information about this issue and the various scenarios that may present themselves and the correct way to determine "rent."

- 3. When a participant resides in a substitute care facility, the facility lists a dollar amount associated with the cost of utilities and heating expenses in the facility itself that is used when determining room/board costs. However, sometimes there is an additional charge, or perhaps even a separate utility/heating bill that the individual participant receives for utilities/heat in their own living space. Can these expenses also be taken into account when determining the participant's "rent" in a substitute care facility?**

Yes – **IF** it is confirmed that there are additional costs that the participant is asked to pay for utilities or heat, and these are not part of what was considered utility costs for the facility in general. If it is determined that the participant does have these additional expenses, the monthly expense should be added to "rent" amount and that total dollar amount should be relayed to the IM worker as "rent" costs. Please note: it is not allowable to count additional costs associated with having a telephone or cable television as part of "rent."

- 4. If a married waiver participant resides in a substitute care facility (and he/she is the only person applying for the waiver), but his/her spouse resides in an apartment or**

**home (where he/she used to reside), can an IM worker look at the monthly housing expenses for both residences when determining the special housing deduction?**

No. The IM worker will only look at the residence in which the participant is **currently** residing. In the example cited, it would be the housing expenses associated with the substitute care facility.

**5. If a married couple are both on the waiver program and reside together in a substitute care facility and both have income, is the special housing deduction and the information pertaining to dividing the deduction in half still apply?**

The answer depends on whether or not each is responsible for paying separate room/board costs.

In instances where a married couple resides in a substitute care facility, but each is responsible for paying their own room/board amount, the IM worker will look at their housing expenses separately. In instances where a married couple resides in a substitute care facility but there is only one room/board amount between the two of them, the IM worker will divide any determined special housing deduction between the two of them. See the scenarios on next page for specifics:

*Scenario 1*

Mr. and Mrs. Smith both apply for the COP-Waiver program and reside together in the same CBRF. Mr. Smith's income is \$1,300/month and Mrs. Smith's income is \$800/month. **The room/board amount for each of them is \$629/month.** The care manager has "carved" out the "rent" portion from the room/board amount and determined that "rent" is \$399/month. The care manager gives the IM worker this information. With this information, the IM worker has determined the special housing deduction is \$49. **Because each member of this couple is responsible for paying a room/board (or housing) amount, the IM worker will be able to give the full special housing deduction to both Mr. and Mrs. Smith.** The result is as follows:

	Mr. Smith	Mrs. Smith
Income	\$1,300 minus	\$800 minus
Basic Need Allowance	\$ 783 minus	\$783 minus
Housing Allowance	\$ 49 minus	\$ 49 minus
Health Insurance	\$ 80 minus	\$ 0 minus
M/R Expenses	\$ 200 minus	\$ 50 minus
Total amount of deductions	\$1,112	\$ 882
Cost Share	\$ 188 \$1,300 - \$1,112 = \$188 cost share	\$0 \$800 - \$882 = \$0 cost share

In the instance where a married couple are both applying for the waiver, and reside in the same substitute care facility, but there is only one room/board amount for the two of them, the IM worker will divide the special housing amount deduction between the two.

### Scenario 2

Mr. and Mrs. Green both apply for the COP-Waiver program and reside together in the same CBRF. Mr. Green's income is \$1,300/month and Mrs. Green's income is \$800/month. **The CBRF is only going to charge one room/board amount for this couple because they share a room.** The room/board is \$629/month. The care manager has "carved" out the "rent" portion from the room/board amount and determined that "rent" is \$399/month. The care manager gives the IM worker this information. With this information, the IM worker has determined the special housing deduction is \$49. **Because there is only one room/board (or housing) costs for this couple, the IM worker will divide the special housing amount deduction in half and give to both Mr. and Mrs. Green.** The result is as follows:

	Mr. Green	Mrs. Green
Income	\$1,300 minus	\$800 minus
Basic Need Allowance	\$ 783 minus	\$783 minus
Housing Allowance	\$ 24.50 minus	\$ 24.50 minus
Health Insurance	\$ 80 minus	\$ 0 minus
M/R Expenses	\$ 200 minus	\$ 50 minus
Total amount of deductions	\$1,087.50	\$ 857.50
Cost Share	\$ 212.50 $\$1,300 - \$1,087.50 = \$212.50$ cost share	\$0 $\$800 - \$857.50 = \$0$ cost share

Completion of this form meets the requirements of the Federal Regulations 42 CFR 435.

January 2006  
Page 14

**SECTION V – STATEMENT OF ELIGIBILITY. COMPLETE FOR ALL MA WAIVER APPLICANTS. (Check One)**

- |   |  |
|---|--|
| <input type="checkbox"/> Applicant is eligible under Group A.   | <input type="checkbox"/> Applicant is eligible under Group C with no spenddown.  |
| <input type="checkbox"/> Applicant is ineligible for waiver services under Group A for ____ months due to Divestment. | <input type="checkbox"/> Applicant is eligible under Group C with a monthly spenddown of \$____ (Line 18).                                 |
| <input type="checkbox"/> Applicant is eligible under Group B with no cost share.                                      | <input type="checkbox"/> Applicant is eligible under Group C with a monthly spenddown of \$____ (Line 18) and monthly cost share of \$____ |
| <input type="checkbox"/> Applicant is eligible under Group B with a cost share of \$____ per month.                   | <input type="checkbox"/> Applicant is ineligible under Group C – not medically needy.  |

**ALLOWANCE DETERMINATIONS FOR SECTION III**

PERSONAL MAINTENANCE ALLOWANCE CALCULATION	FAMILY MAINTENANCE ALLOWANCE CALCULATION
<p>Add the amounts in a, b, and c. Enter the total personal maintenance allowance on page 1, Section III, line 2. This total must not exceed \$____ (figure adjusts annually).</p> <p>a. Basic Needs Allowance _____</p> <p>Everyone is allowed the basic needs allowance of \$_____</p> <p>b. Earned Income Disregard _____</p> <p>People who have earned income are allowed an additional \$65 &amp; ½ of the remaining income.</p> <p>c. Special Housing Amount _____</p> <p>The special housing amount is an amount of the person's income set aside to help pay high housing costs. If the housing costs are over \$350 per month, the waiver applicant may be eligible for the special housing amount.</p> <p>Special Housing costs include only the following:</p> <ul style="list-style-type: none"><li>a. Rent _____</li><li>b. Insurance _____</li><li>c. Mortgage _____</li><li>d. Property Tax (includes special assessments) _____</li><li>e. Utilities (heat, water, sewer, electricity) _____</li><li>f. Rent in an Adult Family Home, CBRF, or RCAC. _____</li></ul> <p>Add together all housing costs. If the amount is more than \$350 per month, the special housing amount equals monthly housing costs minus \$350.</p> <p>If both members of a couple are applying and both have income, divide the housing amount equally between them. If only one spouse of a couple has income and both are applying, allocate the full housing amount to the spouse with income.</p> <p>Note: The special housing amount does not apply to waiver participants under the age of 18 years.</p>	<p>Calculate the family maintenance allowance and enter it on page 1, Section III, line 3, using formula a or b.</p> <p><b>a. For AFDC-related households in which the waiver participant is the custodial parent of minor child(ren) living in the household and there is no spouse in the household:</b></p> <ul style="list-style-type: none"><li>(1) Minor children's gross earned income _____</li><li>(2) Enter \$65 &amp; ½ of gross earned income (30.1.0) _____</li><li>(3) Subtract (2) from (1) _____</li><li>(4) Minor children's total unearned income _____</li><li>(5) Add (3) and (4) _____</li><li>(6) Enter AFDC related medically needy income limit (30.4.0) _____</li></ul> <p>(Group size is the number of minor children in the household. Do not include the waiver applicant.)</p> <p>(7) If (5) is greater than (6), there is no family maintenance allowance. If (5) is less than (6), the family maintenance allowance is the difference between (5) and (6).</p> <p><b>b. For households in which there are no minor children living in the household and there is a spouse in the household but spousal impoverishment policies don't apply.</b></p> <ul style="list-style-type: none"><li>(1) Spouse's gross earned income _____</li><li>(2) Enter the first \$65 &amp; ½ of total gross earned income _____</li><li>(3) Subtract (2) from (1) _____</li><li>(4) Spouse's total unearned income _____</li><li>(5) Add (3) and (4) _____</li><li>(6) Enter \$20 disregard _____</li><li>(7) Subtract (6) from (5) _____</li><li>(8) Enter the SSI-E payment level for 1 person (figure adjusts annually) _____</li></ul> <p>If (7) is greater than (8) there is no family maintenance allowance. If (7) is less than (8) the family maintenance allowance is the difference between (7) and (8).</p>

FORMULA TO DETERMINE AMOUNT OF INCOME  
AVAILABLE TO PAY FOR ROOM AND BOARD  
IN SUBSTITUTE CARE

Applicant/Participant Name: _____ Date: ____/____/____	
1. Total income from all sources	
2. Discretionary Income ( <b>Not less than \$65</b> )	
3. Enter Difference between line 1 and line 2 here	
4. Health Insurance Premium which the participant pays out of pocket	
5. Enter the difference between line 3 and line 4 here	
6. Out of pocket medical/remedial expenses	
7. Enter the difference between line 5 and line 6 here	
8. Special Exempt Income	
9. Enter the difference between line 7 and line 8 here	
10. Family Maintenance Allowance	
11. Enter the difference between line 9 and line 10 here	
12. Spousal income allocation	
13 Enter the difference between line 11 and line 12 here	
14. Cost Share or Spenddown obligation	
15. Enter the difference between line 13 and line 14 here	
16. Actual cost of room and board	
17. Enter the difference between line 15 and line 16 here	



DDE-920 – INSTRUCTIONS  
FORMULA TO DETERMINE AMOUNT OF INCOME  
AVAILABLE TO PAY FOR ROOM AND BOARD

IN SUBSTITUTE CARE

Applicant/Participant Name \_\_\_\_\_ Date \_\_\_\_ / \_\_\_\_ / \_\_\_\_

Total Income from all sources

- For Group A – amount from line 4 of DDE-919
- For Group B and C – from CARES screen ECSC or from Spousal Impoverishment Income Allocation Worksheet, Section C, Line 1

**Note: Certain income sources that may have been disregarded in CARES, like V.A. Aid and Attendance for example, must be added back here under TOTAL income.**

1. Discretionary Income

(Minimum allowance is \$65. More can be allowed, as defined in the county's COP Plan)

3. Difference between line 1 and line 2

4. Health insurance premium (must be out of pocket from this participant's income, i.e. if spouse is paying the premium, do not use this deduction). Includes MAPP premium, if applicable

5. Difference between line 3 and line 4

6. Out of pocket medical/remedial expenses

- For all Group A
- For Group B (from line 19 of the Model Referral Form or CARES Screen ECSC)
- For Group C married only (from line 20a of the Model Referral Form or Spousal Income Allocation Worksheet, Section C, Line 10)
- For Group C "single" enter \$0.00

7. Difference between line 5 and line 6

8. Special Exempt Income if applicable: for Group A, obtain this amount from the participant or IM worker. For all Group B and for Group C married (from CARES ECSC screen); for Group C single (from CARES ECED screen).

9. Difference between line 8 and line 9

- For Group A – skip to line 15 and enter this amount on line 15
- For Group B and for Group C – enter amount here and continue to line 10

10. Family Maintenance Allowance, if applicable, for Group B or C (from CARES ECSC screen)

11. Difference between line 9 and line 10

12. Spousal Income Allocation (when applicable, for Group B or Group C, ( from Spousal Income Allocation Worksheet, Section C, line 4)

13. Difference between line 11 and line 12

14. Cost Share/Spenddown

- For all Group B from CARES ECSC screen
- For Group C married only – amount from line 11, Spousal Income Allocation Worksheet
- For Group C single – Spenddown obligation from CARES ECED

15. Difference between line 13 and line 14

16. Actual cost of Room and Board in the facility (amount facility charges this resident for R&B) See BALTCR memo dated 5/15/2003 for further details).

17. Subtract line 16 from line 15

If amount on line 17 is a positive number, the participant has enough funds to pay for room and board in the facility. The participant pays only the room and board amount and keeps any remaining funds.

If the amount on line 17 is a negative number, the participant does not have sufficient funds to pay the entire room and board costs. Another, non-waiver funding source must be used to supplement the participant payment.

MODEL TRACKING FORM  
FOR  
SUBSTITUTE CARE SETTINGS  
&  
SPECIAL HOUSING AMOUNT  
FOR \_\_\_\_\_ COUNTY

January through December \_\_\_\_\_

Substitute Care Facility Name	"Rent" <sup>1</sup> Amount	Eligible for Special Housing Amount? Yes/No
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		

<sup>1</sup> The "Rent" amount is determined by the care manager by carving out allowable housing expenses from the total Room and Board costs. See Section 6 of CM/IMW Guide for details. Give this amount to the IM worker.

MODEL TRACKING FORM  
FOR  
SUBSTITUTE CARE SETTINGS  
&  
SPECIAL HOUSING AMOUNT  
FOR \_\_\_\_\_ COUNTY

January through December 2006

Substitute Care Facility Name	"Rent" <sup>2</sup> Amount	Eligible for Special Housing Amount? Yes/No
1. Sunny Hill CBRF	\$400	Yes
2. Maple Grove AFH	\$200	No
3. Golden Pond CBRF	\$ 500	Yes
4. Whispering Pines AFH	\$375	Yes
5. Cardinal Crest CBRF	\$349	No

---

<sup>2</sup> The "Rent" amount is determined by the care manager by carving out allowable housing expenses from the total Room and Board costs. See Section 6 of CM/IM Guide for details. Give this amount to the IM worker.